


OFFICE OF THE DIRECTOR

67-268

18 January 1961

/ Hon. Livingston T. Merchant
Under Secretary for Political Affairs
Department of State

Attached is a copy of the cable
from Messrs. Bissell and FitzGerald
about which Mr. Dulles spoke to you
this morning.


Executive Officer

25X

Attachment

cc: DCI

ER

JSEA

270314

10 January 1961

TO: Director

FROM: Richard M. Bissell and Desmond FitzGerald

25X1

1. SESSION [] AFTERNOON 9 JAN LARGELY
DEVOTED ANALYSIS FACTORS LEADING LAOTIAN CRISIS,
POSSIBLE COURSES FUTURE U.S. ACTION AND EFFECT
LOSS OF LAO WOULD HAVE ON OTHER FAR EAST NATIONS.

2. CONSENSUS [] THAT OUTRIGHT
MILITARY DEFEAT U.S. SUPPORTED FORCES WOULD GRAVELY
AFFECT U.S. PRESTIGE AND DISPOSITION ALLIES RELY
FURTHER ON U.S. GUARANTEES. FORESEEN SPECIFICALLY
WAS EARLY NEUTRALIZATION THAILAND, MOST SERIOUS
MILITARY AND POLITICAL UNDERMINING SOUTH VIETNAM
AND ECLIPSE ANTI-COMMUNIST FORCES INDONESIA.
CONFIDENCE IN U.S. STRENGTH AND DETERMINATION
EXPECTED SUFFER MAJOR IMPAIRMENT IN ALL NEIGHBORING
COUNTRIES AND TO NOT MUCH LESS DEGREE IN SOUTH KOREA,
JAPAN AND PHILIPPINES. EFFECT OF LOSS OF LAOS THROUGH
PATHET LAO EROSION FOLLOWING SOME FORM POLITICAL
SETTLEMENT ESTIMATED AS EQUALLY DISASTROUS THOUGH
PERHAPS SLOWER IN TAKING EFFECT.

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270314

1 3. WHILE [REDACTED] EXPRESSED VARYING VIEWS
MEASURES MOST LIKELY HOLD LINE IN LAOS, WE IMPRESSED
BY THEIR CONSENSUS THAT COMMUNIST VICTORY THAT
COUNTRY INEVITABLY DESTRUCTIVE OF U.S. POSITION IN
SOUTHEAST ASIA. SUGGEST DULLES CONSIDER CALLING
TO ATTENTION ODACID POLICYMAKERS EXTREME SERIOUSNESS
OF AN OUTCOME THERE WHICH WOULD BE REGARDED AS
DEFEAT FOR U.S.

END OF MESSAGE